

20 years on – the Personal Injuries Environment

Injuries Resolution Board Conference 2024

Rosalind Carroll, CEO

9th May 2024



Personal injury compensation – where have we come from?

- + In 1990, Minister Desmond O'Malley “*The claims in Northern Ireland cost about a third on average of what they do here ... The result is that the motor insurance premiums in Northern Ireland are as frequently as low as one third of what they are here.*”
- + In 1990, Guardian Royal Exchange reported underwriting losses of £60 million, citing that third-party insurance claims in Ireland were over 6 times higher than claims in the United Kingdom.
- + In 1997, the McAuley Report on a proposed injury tribunal found that the average Irish injury claim settlement was 12 times the amount paid in England.

Average Comp.	Ireland	England	Ratio
Motor Liability	£20,462	£1,633	12.5
Employer Liability	£21,457	£1,630	13.2
Public Liability	£11,773	£908	13.0
Overall	£19,439	£1,609	12.0

McAuley Report (1997)

The impact of claims on society and services a concern

- + Seanad debate in 1998 - Sen. Quill *“In the last decade some crucial projects in [Cork City] have been seriously underfunded or grossly delayed because so much of the annual budget had to be set aside to deal with the flood of personal injury claims ... The cost to Cork of personal injury claims represents a startling 15% of all the city’s income from rates”*.
- + The impact of claims on community resources highlighted by Sen. Joe Costello *“We have had to close down virtually all the play centres or playgrounds in Dublin because we cannot allow children to play there as Dublin Corporation is not in a position to provide sufficient staff to undertake the supervisory role that would satisfy insurance claims which amount to huge sums”*.

“There is much merit in the establishment of a personal injury compensation board to cater for all claims ... It would be quicker, more efficient, and most importantly would represent better value to the tax-payer”.

- Senator John Dardis, October 1998

In the headlines: Personal Injury Claims 2000-2003

- + In **2000**, the Small Firms Association showed that Irish firms spent double the European average on insurance. In some sectors, such as leisure activities, liability insurance was as high as 20% of payroll costs.
- + A **2001** publication by the Irish Insurance Federation stated that Irish motorists were paying, **£210 more annually for motor premiums than UK drivers** “because claims costs here are twice as high”.
- + In **2002**, a review by the National Competitiveness Council found that of **16 European countries, Ireland ranked 4th highest for insurance premiums.**
- + In **2003**, the Irish Hotels Federation surveyed over 900 hotels and found that the average insurance premium increased by 350% between 2000-2003. **The IHF called for the “speedy establishment of the Personal Injuries Assessment Board (PIAB).”**

Business

Irish firms spend double European average on liability cover

The Establishment of PIAB

- + In 2001, an interdepartmental working group, which included representatives from IBEC, ICTU and the National University of Ireland was established to draw up a report on the establishment of PIAB.
- + In October 2002, Tánaiste Mary Harney launched the Government's Insurance Reform Programme, one aspect of which was the establishment of the Personal Injuries Assessment Board.
- + In October 2002, The MIAB report found litigation overheads had risen to 42% on top of every euro paid in compensation in 2002 and subsequently, rose to an average 46% by 2003.
- + The interim Board was appointed in November 2002, with the Personal Injuries Assessment Board Act 2003 passed on the 19th December 2003 and the Personal Injuries Assessment Board (PIAB) was formally established by Ministerial Order in April 2004



Differing views on the establishment of PIAB

+ “PIAB will only add another layer of bureaucracy to the process and duplicate the court system” – Peelo Report 2002

Tánaiste rejects compo board's €38m cost

THE Tánaiste has rejected claims that the Personal Injuries Assessment Board (PIAB) would cost over €38.1 million annually to run.

THU, 17 OCT, 2002 - 01:00

New claims system will not work

THE much-vaunted, highly controversial Personal Injuries Board Act 2003 (PIAB) became law on June 1.

Business

New board will not solve injury compensation problems

Personal injury claims board 'will clog up award process'

News

PIAB 'designed to disadvantage victims'

No need for injuries board, say barristers

Why we need an assessment board

“The Personal Injuries Assessment Board Bill will be before this House tomorrow. Some lawyers will argue very strongly that it will not work. Equally, there will be some who will say how well [it] will work.”

- Tánaiste Mary Harney, 19th Nov 2003

Continued Spotlight and Focus

- + The **Cost of Insurance Working Group** was established in 2016 - objective to identify the drivers of the cost of insurance and to recommend measures to address increasing insurance costs.
- + **A key issue highlighted** was the need **to enhance transparency** and to facilitate the use of data sharing and collection. The group recommended the establishment of a **National Claims Information Database**.
- + **Another key recommendation** focussed on the **need to improve the personal injuries claims environment** citing concerns “around the uncertainty of the claims process, the cost of the claims process and the method for making awards for personal injuries”.
- + **Personal Injuries Commission was established in January 2017** and found that the **damages for soft-tissue injuries in Ireland was 4.4 times greater than England and Wales**.
- + The work of the PIC highlighted **a lack of award level consistency and certainty as a key source of difficulties within the claims environment**.
- + The PIC **recommended that the Judicial Council when established should compile Guidelines** for appropriate general damages for various types of personal injuries.

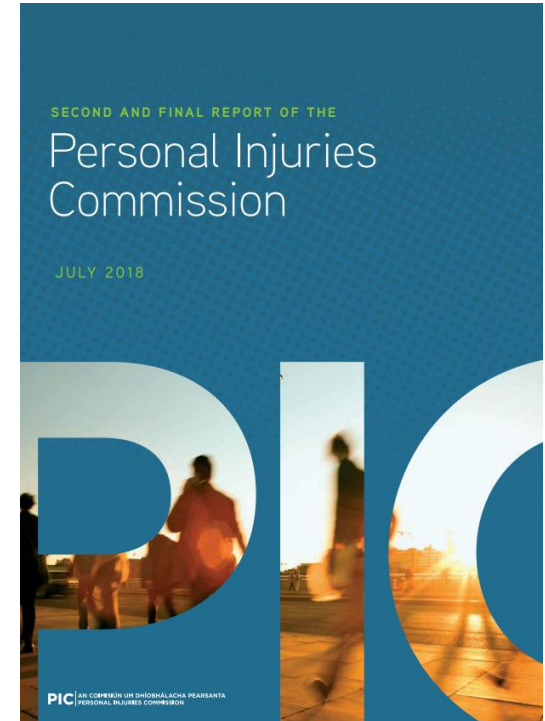
Key outcomes from recent reforms

- + National Claims Information Database – no longer dealing with anecdotes
- + Action Plan for Insurance Reform
- + Personal Injuries Guidelines - very different awards framework
- + Duty of Care Legislation
- + New PIAB Legislation

Average time to resolve Claim

Injuries Resolution Board: 2.7 years

Litigation: 4.8 years



2005 – 1st Year of Impact

**Over 20,000
Applications
submitted**

**First
Assessment
made in
March 2005**

**951
Assessments
made in 2005**

**€11 Million
in Accepted
Awards**

**€4 Million
In Savings
(Accepted
Awards)**

In 20 years, the Injuries Resolution Board has helped over...



20 Years On: Measuring our Impact



**513,000
Applications**



**180,000
Assessments**

€4.0 Billion

**Total Value of
Awards**

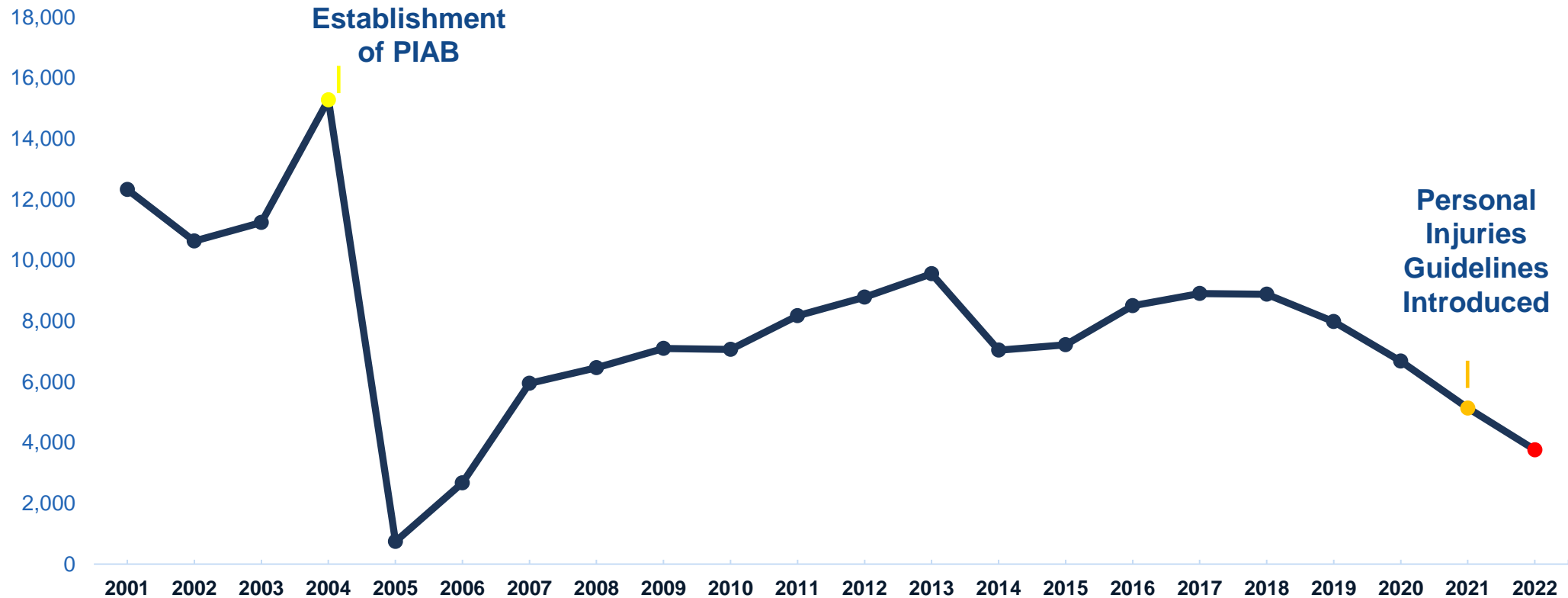
€2.2 Billion

**Total Value of
Accepted Awards**

Over €1.1 Billion in Savings on Accepted Awards

***Over 100,000 accident victims have resolved their claim through
the Injuries Resolution Board***

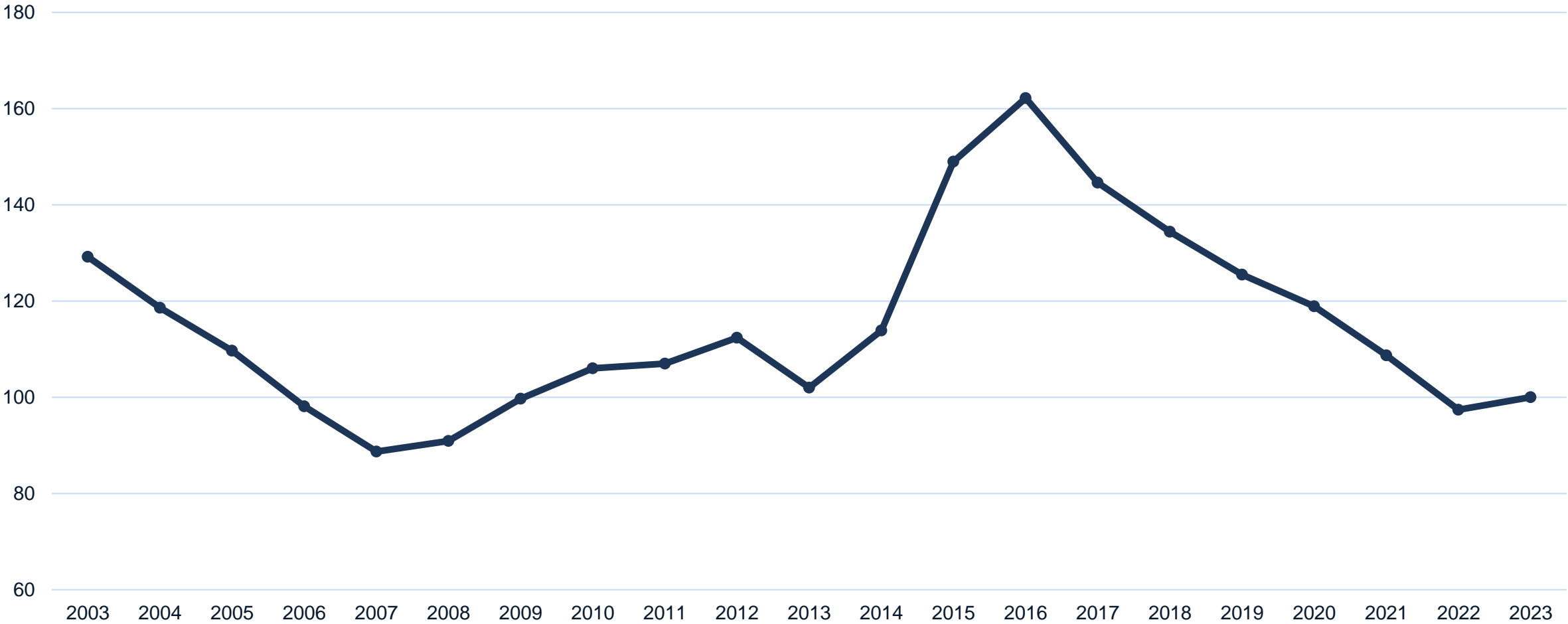
Personal Injury Cases initiated in the High Court



- + The number of personal injury cases peaked in 2004 with “over 800 summonses per day being issued during July.” – Court Service Annual Report 2005

2003 – 2023: Motor Insurance Premiums

Motor Insurance Consumer Price Index CSO (December 2023 = 100)



The People behind the Numbers : Claims relating to fatalities

- + Between 2012-2023, the Injuries Resolution Board received 1,262 claims relating to fatal accidents.
- + The **volume of fatal claims received in 2023 was 37% higher than the volume submitted in 2021**, with over half of all claims relating to fatal road traffic accidents.
- + Just under half of all fatal road traffic accident claims submitted in 2023 involved people aged under 30 years old.



In 2022, the highest value of compensation awarded for a fatal road traffic accident, was for a case involving a pedestrian being struck on the footpath by a motor vehicle causing fatal injuries. The victim, was a wife and mother. The final compensation included compensation for the loss of earnings that the victim's spouse and children would experience as a result of the victim's death. The award also included provisions for assistance with tasks and services within the home.

Cases involving life-changing injuries



The highest accepted award in 2023 was valued at over €600,000 and related to a serious and life-changing workplace accident. As a result of the accident, the worker had reduced mobility, could no longer participate in occupational or leisure activities and required future therapy. A large component of the award related to loss of earnings, in addition to compensation for future aids and appliances to enable the Claimant to continue to live independently.



In 2023, just under €400,000 was awarded to a motor vehicle passenger who was involved in a serious road traffic accident. The victim sustained multiple injuries including severe chest injuries and spent several months in hospital. The award included compensation for several mobility aids, including a powered wheelchair, adjustable bed, car adaptations, home adaptations including ramped access and a level-access shower, dressing aids and home support services.

The Now - More claims are being kept in the Injuries Resolution Board System

- + 71% consent rate in 2023 – the highest it has ever been
- + Acceptance rate now back at 50%
- + Claim volumes are still relatively low – estimate 22,000 in 2024
- + Total awards in 2023 was €170m
- + Every claim that stays within the system is saving in time and cost

Total Value of Awards



The future – Certainty and Trust in our Service

- + The **Supreme Court's decision on Guidelines case is a landmark ruling** with significant implications for personal injury claims in Ireland.
- + A majority of the Court considered that the Guidelines, adopted by the Judicial Council in 2021, have normative/legal effect.
- + The **decision reinforces the Guidelines and there is real opportunity to build consistency, and trust** in settlements in Ireland, this has the potential to lead to systemic change.
- + The Court's decision to uphold the Guidelines signifies a move towards a more consistent, certain, and predictable system for personal injury compensation.
- + The decision has provided a more predictable legal landscape for the insurance industry and should progress the insurance reform agenda.

The future

Expanding what we do

- + Garda Compensation Scheme
- + New mediation service significant potential
- + Launched for Public Liability claims on May 8th and Motor Liability to launch in September

Adding Value

Research & Data Analysis

- + An embedded research programme, with timely updates on trends in personal injuries



Final thoughts

- + Not about one measure
- + About actions of all stakeholders
- + 20 years later, a very changed environment but still have more to do
- + Last 5 years have seen significant progress and premiums in motor reflect this
- + Total award values in 2023
- + Measurement not just about value – volumes, damages, time and systemic costs

Thank You

